



General Assembly

Distr.
GENERAL

A/49/89
8 March 1994
ENGLISH
ORIGINAL: SPANISH

Forty-ninth session
Item 102 of the preliminary list*

INTERNATIONAL DRUG CONTROL

Note verbale dated 7 March 1994 from the Permanent Mission
of Panama to the United Nations addressed to the
Secretary-General

The Permanent Mission of the Republic of Panama to the United Nations presents its compliments to the Secretary-General of the United Nations and has the honour to transmit to him herewith the note dated 11 February 1994 from the Office of the Minister for Foreign Affairs concerning public statements by an official of the Department of State of the United States of America to the effect that our Government has made no effort to combat the laundering of proceeds from drug trafficking. The Government of Panama strongly rejects such statements because serious, determined action has been taken since 1990 to combat such offences.

We wish to request that this note be circulated as a document of the General Assembly under item 102 of the preliminary list.

* A/49/50.

ANNEX

Note dated 11 February 1994 from the Minister for Foreign
Affairs of Panama addressed to the Ambassador of the
United States of America

I have the honour to refer to statements made publicly by an official of the Department of State named Robert Gelbard, to the effect that our Government has made no effort to combat the laundering of proceeds from drug trafficking. I must point out that our Government strongly rejects these statements because serious, determined action has been taken since 1990 to combat such offences.

Specifically, the chief steps taken by our Government to combat drug trafficking have been the following:

1. On 23 September 1993, the Executive Branch submitted to the Legislative Assembly of the Republic of Panama a draft law ratifying the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, adopted at Vienna on 19 December 1988. The proposed legislation was adopted in Act No. 20 of 7 December 1993 and published in the Official Gazette No. 22,429 of 9 December 1993.
2. The Agreement of 1 March 1993 on mutual legal assistance between the Republic of Panama and the United Kingdom in connection with drug trafficking was discussed as the first item on its agenda by the Foreign Affairs Committee of the Legislative Assembly. The Agreement is pending for adoption at the next session beginning on 1 March 1994.
3. Recently, at the Fourteenth Meeting of Central American Presidents held in Guatemala City on 28 and 29 October 1993, a treaty on mutual assistance in criminal matters was signed by Panama and the other Central American countries, as was an agreement establishing the Central American Permanent Commission for the Eradication of the Production, Trafficking, Consumption and Use of Illicit Drugs and Psychotropic Substances.
4. On 19 November 1993, the Republic of Panama and the Republic of Colombia signed the following bilateral agreements:
 - (a) Agreement on mutual legal assistance and judicial cooperation;
 - (b) Agreement on mutual assistance relating to illicit trafficking in narcotic drugs and psychotropic substances;
 - (c) Agreement on action to prevent the diversion of precursors and essential chemicals.
5. From 31 January to 4 February 1994, talks were held between the delegations of Panama and Canada at the Panamanian Ministry of Foreign Affairs on a draft treaty on mutual legal assistance to be signed between the two countries and also on the subject of drug trafficking and related crimes.

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6. The Governments of Panama and Mexico are expected to set a date for the opening of talks on the conclusion of a treaty on mutual legal assistance, since both Governments have already expressed their intention to conclude such an agreement.

7. As part of its programmes of action and the goals that the Government of the Republic of Panama has set for itself to control and combat drug trafficking and related crimes, strategies had been drawn up to reduce the possibility of using our economy and our banking system for money-laundering. Related national strategies have also been devised to develop overall preventive policies by mobilizing communities through large-scale training of students at the primary, secondary and university levels. Also, a National Documentation Centre under the Office of the Attorney-General has been created to provide support services in setting up national meetings on the incidence and prevention of the use of drugs; and specialized training programmes have been developed for civil servants, members of civic clubs and private sector employees throughout the country.

8. Development of prevention programmes has been stepped up through the National Committee for the Study of Drug-related Offences, an inter-agency committee established by Act No. 23 of 30 December 1986, better known as the Drug Act. The provisions of this Act also cover the juridical structure necessary in order to punish any person who participates, in one form or another, in the commission of the offence of money-laundering.

There is also Cabinet Decree No. 41 of 1990, which establishes that banks must identify their clients properly and require them to furnish whatever statements may be necessary in order to ascertain the origin of deposits or the intended use of cash withdrawals of over \$10,000. This Cabinet Decree has been supplemented by agreements of the National Banking Commission designed to curb the use of our banking system activities relating to drug trafficking. Moreover, important meetings were held in 1993 with senior representatives of your Government for the purpose of drawing up common strategies to expand our capacity to work in that important sphere of our economic activity. Top-ranking Panamanian officials participated in these meetings as a demonstration of our Government's intent and concern.

9. Anxious to build on the activities stemming from the Special Office for Drug-related Offences, the investigative agencies and the Criminal Investigation Service, the Office of the Attorney-General set up special sub-offices for drug-related offences in all judicial districts outside the capital. These sub-offices are responsible for conducting searches and other measures during the preliminary investigation of drug-related offences, and the effect of their work has been felt throughout the entire country.

10. The Office of the Attorney-General has also organized a Centre for Information and Audio-Visual Resources on aspects relating to drugs, which operates within the Office and has up-to-date information on drug addiction among students at primary and secondary schools and at universities throughout the country. It also assists and supports the Catholic Church and other churches established in the Republic of Panama by providing special audio-visual

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and technical materials including plans for preventing and eradicating drugs in our country.

11. As part of the policy to intensify efforts to combat drugs and drug trafficking, the Attorney-General has introduced into the Legislative Assembly a bill to amend existing drug legislation. As the Attorney-General has pointed out, the bill would inter alia restructure the characterization of offences relating to the international traffic in drugs; include aggravating circumstances in regard to the purchase, sale or transfer of drugs; regulate the procedure for controlled delivery and undercover operations; and establish two special procurators for drug-related offences, having competence and jurisdiction throughout the country.

12. The operations carried out by Government authorities responsible for suppressing criminal activities relating to the traffic in drugs have resulted in the confiscation of thousands of kilos of cocaine, marijuana, methamphetamines and bazuko, and more than \$7 million in cash, which were presumably to be laundered through our banking system. As a result of these operations, more than 400 people of various nationalities have been arrested and are to be prosecuted.

In addition to the above, our Government has agreed to continue working with the United States Government on all matters relating to the cooperation provided by agencies of that Government to our national authorities so that the latter may, in accordance with Panamanian legal procedure, carry out successful drug confiscation operations in various sectors of our country. We also hope to strengthen our National Air Service for the purpose of destroying suspected coca plantations in the Darien area, in order to prevent production in our territory.

I should like to reiterate my concern at the inexplicable delay there has been in the ratification by the Senate of your country of the treaty on mutual legal assistance in criminal matters, which our two countries signed in April 1991 and which our legislative assembly approved in Act No. 20 of 22 June 1991. The fact that it will have taken the United States Senate several years to ratify this important legal instrument detracts from the validity of the criticisms levelled by officials of your Government regarding the cooperation which the Government of the Republic of Panama is providing to your country and to others in combating the traffic in drugs.

You are undoubtedly aware that the limitations which we encounter in our efforts to combat this deadly scourge are real and that they frequently affect the results. It is, however, inadmissible that we should be hearing criticisms that do not seriously reflect the true position and will of the Panamanian Government to combat this powerful international crime network. Even the United States, with all its resources, has been unable effectively to control drug use, which is very high; however, this inability to do so does not mean that one can glibly claim that the Government of the United States is not working hard to combat the use of and traffic in drugs.

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I hope and trust that the contents of this note will be transmitted in their entirety to the corresponding authorities of your country so as to clarify our position and express our strong rejection of these very irresponsible statements which reflect on our country's good name.

(Signed) José Raúl MULINO
Minister for Foreign Affairs
